James A. Watson Rear Admiral, USCG Federal On-Scene Coordinator

July 2, 2010

Dear Admiral Watson:

In compliance with the May 26, 2010, Dispersant Monitoring and Assessment Directive - Addendum 3 (the "Directive"), BP Exploration & Production Inc. ("BP") has eliminated the surface application of dispersants, except in cases where an exemption is requested and justified, and approved by the Federal On-Scene Coordinator.

Houma Unified Command had 6 spotter visual reports on 2 July from aircraft out of both Stennis and Houma Bases. These spotters were able to identify oil slicks that were estimated to require 65,000 gallons of dispersant. Today aerial dispersant operations applied the 10,000 gallons that was initially approved and another 10,000 gallons that was approved by FOSC.

Actual applied year and applied year appli

Weather will be a significant issue tomorrow. The Saturday forecast calls for flying conditions that may preclude aerial spraying with rain and thundershowers, winds of 20-28 knots from the N-NE-ENE, significant wave height over 7.5 feet, ceilings of 500 feet or less, visibility of 2 nm with a 80% chance of rain.

The NOAA Surface Oil Forecast for July 3rd shows extensive areas of heavy and medium oil (Attachment 2) that are or may adversely impact the shoreline, including sensitive wetlands.

Houma Unified Command anticipates that due to the weather, if oil slicks are identified, the most viable means of response will be the use of dispersants to reduce the risk of oil land fall, since tomorrow will be the 5th straight day of no skimming or ISB activities taking place.

Prior to spray operations tomorrow morning, the spotter aircraft will identify the high value targeted slicks and we will prepare a report of the location and dispersant volumes needed for application as soon as practicable tomorrow. It is anticipated that the forecasted weather pattern consisting of low ceilings and rain/thunderstorms will make it difficult to execute reconnaissance or dispersant spray missions.

Pursuant to a request this date from Unified Command, the following information is provided.

- Estimated size of identified dispersible oil slick targets proposed in designated zones: Today there were several air reconnaissance flights observing dispersible oil slicks in Zone AC & AM as shown Table 1.
- Explicit justification for why these targets can't be skimmed or addressed by other mechanical means: The weather is forecast to exceed the capability to skim and conduct ISB operations.

Source Skimming Assets:

All vessels in port

Non-Source Skimming Assets:

All vessels in port

ISB Assets:

All vessels in port

A Whale

Operating offshore for testing of system

- Consequently, source and non-source skimming vessels as well as ISB will not be in action tomorrow.
- Today, all offshore recovery assets (skimmers, etc.) are <u>in port or at anchor due to</u> <u>inclement weather</u> and ISB operations did not take place.
- It is planned to conduct Tier 1 helicopter SMART over flights to observe dispersant operations tomorrow should they be conducted and if weather permits helicopter operations.
- M/V International Peace is currently in port waiting on better seas and weather. It is not
 anticipated that she will be operating tomorrow due to continued adverse weather
 conditions. No SMART Tier 2 or Tier 3 monitoring will be conducted.
- No SMART Team Tier 1 flights were conducted on June 30; therefore, no QA/QC reports are attached.
- No burn box is shown at this time, since the ISB fleet will be in port tomorrow.
- The A Whale operating box is shown.
- Forecast sea state through Sunday showing skimming and ISB limitations is provided as Attachment 5.
- ALL RESPONSE OPERATIONS MAY BE CANCELED DUE TO WEATHER TOMORROW

It should be noted, that due to the adverse weather, there has been no skimming, ISB or dispersant activities for the past five (5) days. Skimming and ISB operations are not scheduled for tomorrow. It is anticipated that significant quantities of dispersible oil will be observed, if flight operations are conducted.

20,000

Accordingly, in accordance with the Directive, the Houma Unified Command respectfully requests an exemption to apply EC9500A in volumes on dispersible oil slicks located today as shown in Table 1 not to exceed 60,000 gallons for a period not to exceed 12 hours. As aerial dispersant is the primary response tool for tomorrow, we have mobilized the reconnaissance and deployment resources and request an initial 10,000 gallons for early opportunistic targets. This will be coupled with further reconnaissance and target identification. A subsequent request will be forwarded later in the day based on the full set of spotter reports.

Sincerely,

Houma Unified Command

Exemption approved subject to the above:

James A. Watson

Rear Admiral, USCG

Date: 7 - 3 - / 0

Federal On-Scene Coordinator

Dispersant Zone Map for 3 July 2010 with Oil Targets from Spotter Operations on 2 July

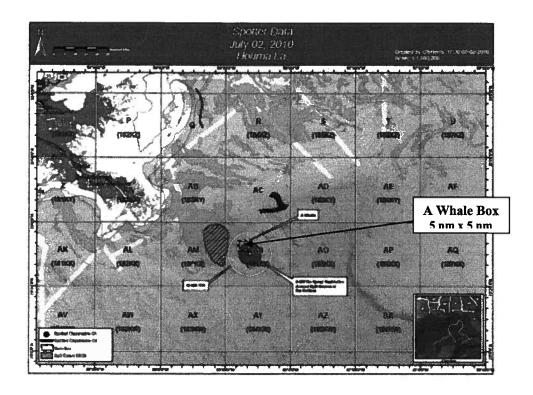


TABLE 1* Dispersible Oil Report July 2, 2010

Zone	# of slicks reported	Area in acres	Estimated percentage dispersible oil	Dispersant Needed** (1/20 DOR)
AC	1	20,480	25	25,600
AC	1	24,320	10	12,160
AM	1	141,000	5	35,250
Q	1 Found not suitably responsive to dispers		suitably responsive to dispersant application	
				73,010
Dispersant Sprayed Today The requested amount for 7/3/10 will be based on tomorrow mornings reconnaissance with an initial request for 10,000 gals.				12,737
Estimated Dispersant Needed 7/03/2010				60,273

^{*}Note: Table 1 shows our intentions based upon our observations the day before these actions take place. Size and location of slicks will change. Activities within slick areas e.g., skimming operations, in-situ burning, etc., or weather conditions may require revisions to the actual operational plan implemented.

^{**}Note: Dispersant needed is based upon area in acres x % dispersible oil x 5 gallons per acre

Nearshore Surface Oil Forecast Deepwater Horizon MC252

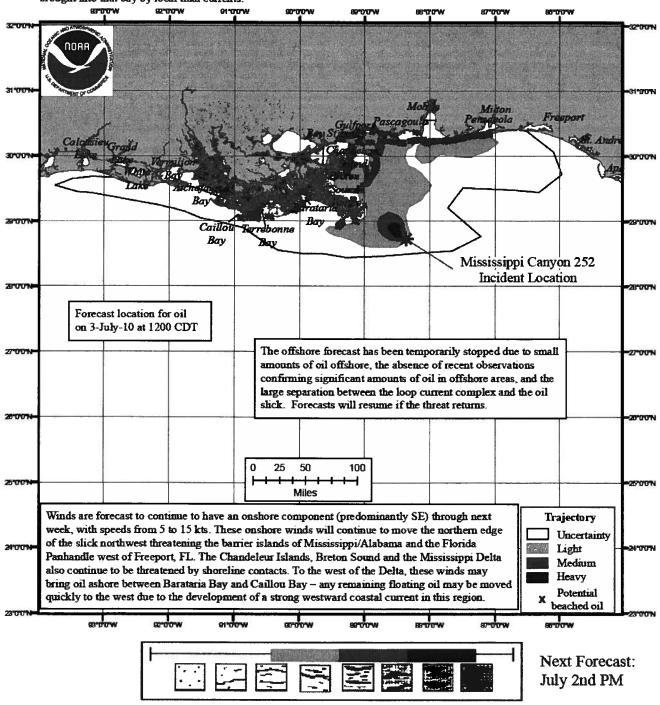
NOAA/NOS/OR&R

Nearshore

Estimate for: 1200 CDT, Saturday, 7/03/10

Date Prepared: 2100 CDT, Thursday, 7/01/10

This forecast is based on the NWS spot forecast from Thursday, July 1 PM. Currents were obtained from several models (NOAA Gulf of Mexico, West Florida Shelf/USF, TGLO/TAMU, NAVO/NRL) and HFR measurements. The model was initialized from Wednesday-Thursday satellite imagery analysis (NOAA/NESDIS). The leading edge may contain tarballs that are not readily observable from the imagery (hence not included in the model initialization). Oil near bay inlets could be brought into that bay by local tidal currents.



Attachment 3

Vessel Status Board

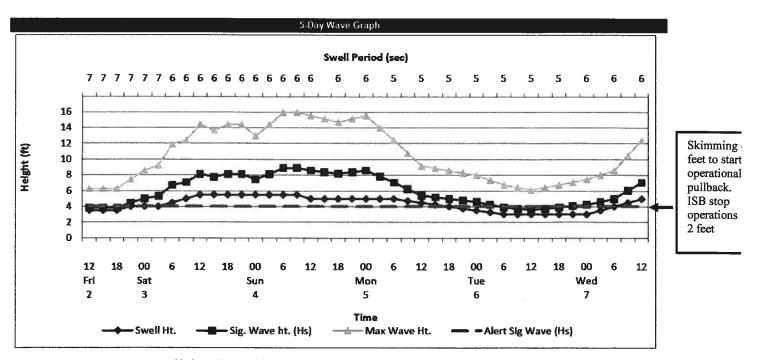
All Vessels Are Currently In Port Due To Inclement Weather And The Anticipation Is That Skimming Capacity Will Remain In Port Tomorrow

Attachment 4

QA / QC Reports

No spraying, No SMART Flights and No Reports on June 30th.

Attachment 5



Maximum Wave Height is defined as the average of the highest .1% of all waves

PHOTOGRAPHS

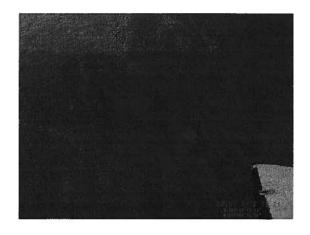
Zone AC (8 nm x 4 nm)



Zone AM (20 nm x 11 nm)



Zone AC (8 nm x 4 nm)



Zone AM (20 nm x 11 nm)

